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09/396,005	09/13/1999	KHAI HEE KWAN		6815

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EXAMINER

LE, DAVID Q

ART UNIT PAPER NUMBER

3621

DATE MAILED: 10/04/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/396,005

Applicant(s)

KWAN, KHAI HEE

Examiner

David Q Le

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on ____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☒ None of:
1. ☒ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. ____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). ____.
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) ____ 6) ☐ Other: ____.

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DETAILED ACTION

Priority

1. Acknowledgment is made of applicant's claim for foreign priority based on an application filed in Australia on 08/11/1999. It is noted, however, that applicant has not filed a certified copy of the Australian application as required by 35 U.S.C. 119(b).

Claim Rejections - 35 USC § 112

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. **Claims 1-12** are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The claims are narrative in form and replete with indefinite and functional or operational language. The structure which goes to make up the device must be clearly and positively specified. The structure must be organized and correlated in such a manner as to present a complete operative device. The claims must be in one sentence form only. Note the format of the claims in the patents cited.

Claim 1 is directed to a method, yet claims structures: a Web server page, transaction/call processor, prepaid cards.

Claim 2 is directed to a computer system (apparatus), yet claims computational steps (a method). Claim 2 furthermore is not in one sentence form only (Page 39, line 19).

Claim 3 is directed to a system (apparatus) yet claims several means for receiving and processing transmissions (method steps).

Claim 5 is directed to a voice response system (apparatus) but is dependent on claim 1, a method claim. Claim 5 further claims a host computer (apparatus), in combination with various voice/text menu means (method steps).

Claims 7-12 are directed to voice/transaction systems and processors (apparatus), but are each dependent on claim 1, a method claim.

Regarding claim 1, the phrases "may have", "such as", "shall have", "will be assigned" (Pages 35-36) render the claim indefinite because it is unclear whether the limitations following the phrase are part of the claimed invention. See MPEP § 2173.05(d).

The claims (1-12) are generally narrative and indefinite, failing to conform with current U.S. practice. They appear to be a literal translation into English from a foreign document and are replete with grammatical and idiomatic errors.

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Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. **Claims 1-2** are rejected under 35 U.S.C. 103(a) as being unpatentable over Taylor, US Patent No 5,530,232, in view of Stimson et al., US Patent No 5,577,109.

As per claim 1:

Taylor discloses a "multiple-application" card system used to make purchases as well as pay bills (Col 4, lines 34-42). One embodiment comprises cards with a stored cash value, available in multiple currencies (Col 6, lines 44-48). The cards can be used at any location equipped with a card reader, i.e. a point-of-sale (POS) terminal, data terminal, or personal computer (Fig 2; Col 4, lines 13-22) or a telephone (Col 6, lines 56-67), as long as data from the cards can be input and transmitted to a remote host/service provider center. The host/service provider center will receive, process, resolve, and record transactions and information from such input terminals, between users, buyers, sellers, and merchants (Col 4, lines 58-64).

Stimson discloses a system and method enabling consumers to make purchases using prepaid cards. The system comprises a plurality of cards, a host computer, a plurality of activation terminals (card reader or POS), and a main processor (Figs 1- 4). The data or POS terminals in the system will be able to "activate" or "recharge" the prepaid cards, and the host computer dynamically manages each of those cards.

Following are the limitations of claim 1 and how they're anticipated by the prior art:

1. A method to enable customers/purchasers to obtain fixed amount of stored monetary value in local currency in pre-paid cards from a plurality of point-of-sale locations (Taylor, Fig 1-2; Col 4, lines 13-22) and to use these pre-paid cards to conduct bill payments activities for both local and international transactions in their respective currencies (Taylor, Col 6, lines 44-48) through a payment service network using a World Wide Web server page connectable to a transaction processor or a tone telephone (Taylor, Col 6, lines 56-67) connectable to a call processor such as Interactive Voice Response Systems located at a remote host computer (Taylor, Fig 3-4);

"...the method comprising: a World Wide Web server ... to identify the particular pre-paid card account (Taylor Fig 4; Col 4, lines 58-64);

and user account to establish ... and authorized by the user (Taylor Fig 4-5);

a call processor coupled to the database... operation purposes; (Taylor, Fig 4, Col 6, lines 56-57).

Taylor discloses that the prepaid cards will hold encrypted user and application data using any established encryption system (Col 6, lines 49-51); the cards may interact with suitable devices such as a computer or a telephone for the purpose of conducting transactions (Col 6, lines 56-67); the transactions

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will be transmitted via a data link (i.e. in a private ATM or POS network, or over a public network, such as the World Wide Web/Internet) to a central processing center (Col 4, lines 58-64, Fig 2); this processing center will have database, storage, and processing capabilities to identify the user, match him with merchants, authorize and process transactions, update accounts, and provide record-keeping for all activities (Col 5, lines 25-54, Fig 5).

Stimson also describes in detail the workings of his system's host/central service provider: database configuration and management, matchup of customers' data with the card's transmitted codes, authorization, transaction processing, record keeping and maintenance (Col 6, lines 20-67; Col 7, lines 1-26).

Claim 1 further cites:

"..each pre-paid card shall have an activation code ... card account stored at the host computer;"

Stimson discloses an embodiment of his system wherein: prepaid cards carry various information including a security code that may be provided in cleartext masked under a scratch-off material (Col 2, lines 38-39, Col 3, lines 64-67); customers may activate their cards by accessing POS data terminals (Col 2, lines 1-4) or a telephone network (Col 2, lines 30-32) which will connect them to remote activation terminals, the system being controlled by a host computer equipped with a call processor (Col 2, lines 32-36) and a database storing detailed information about each card which will allow the host to verify the transmitted activation/authorization code, process the transaction, maintain audit information, and update the status of the user accounts associated with each such prepaid card (Col 2, lines 25-30, 42-44).

Claim 1 further cites:

"..upon activation, each pre-paid card account will be assigned a transaction number ... to match the account to be credited to avoid false and invalid transactions.

Neither *Taylor* nor *Stimson* discloses the use of email messages from a vendor or a user in order to authenticate and authorize a particular transaction effected by both parties. However, it is well known in the art that (1) encryption and decryption methods are routinely used to ensure the security and integrity of all sensitive electronic transmissions, especially those involving financial transactions; (2) that redundant, automatic checks and cross-checks involving time stamps, security codes, and other secret information are used to further ensure that such transmissions are error and tamper-free.

It would have been obvious to one ordinarily skilled in the art at the time the invention was made that a payment system utilizing many of the features disclosed by *Taylor* and *Stimson* could have been easily implemented to include an email verification scheme such as described in Claim 1 above. Such a system would have been set up to provide a further enhanced security measure to a payment system as considered herein. Taken together, *Taylor* and *Stimson* teach all that was needed to set up a prepaid card system with all the limitations as cited in claim 1. Such a system would have been motivated to provide a flexible, convenient, yet safe and secure payment system for consumers and providers of goods and services, using non-cash electronic transactions.

As per claim 2:

In view of the same references used for claim 1 above, *Taylor* and *Stimson* meet all the following limitations cited for claim 2:

*2. A computer system for creating and managing ...terminal, the system comprising:
a database ...;*

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a transaction/call processing unit ...;
a transaction/call processing unit ...prepaid card account;

Neither *Taylor* nor *Stimson* describes a specific formula whereby a prepaid card's stored value may be derived, as in the next limitation cited in claim 2:

the stored rate is formulated to ... in the account of the user as calculated above;

However, *Taylor* does disclose that his system's cards may be used in any of several applications as cash cards with a stored cash value, such value being available in multiple currencies, thus saving travelers from carrying multiple foreign currencies (Col 6, lines 44-49).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that any reasonable and sensible formula for computing a prepaid card's stored value would have worked, as long as such a formula would yield a value in a foreign currency that would be acceptable to both user and service provider. As such, *Taylor* in view of *Stimson* meet the limitation of claim 2 as cited above.

Lastly, claim 2 recites:

the minimum security form algorithm ... by terminal or telephone to finalize the payment procedure.

Stimson describes a preferred purchase scenario using a prepaid card wherein the host computer collects and stores specific information in order to finalize a payment procedure: card security number, identity of the store where the card was issued, purchase balance of the card, transaction codes associated with each purchases, and many other pertinent data (Col 6, lines 45-67; Col 7, lines 1-25).

Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made that a system combining *Taylor's* and *Stimson's* inventions could be set up comprising the features cited above, to provide safe, accurate, and reliably traceable transaction records for each prepaid card used within said system, and as such would meet all the limitations of claim 2.

6. Claims 3-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Taylor in view of Stimson and further in view of Taskett, US Patent No 5,923,734.

As per claim 3:

The first several limitations recited in claim 3 are met by *Taylor* and *Stimson*, using the same references cited in claims 1 and 2 above:

3. A system for enabling ... the method comprising:
a database of pre-paid card ... from the point-of-sale locations;
means wherein the real-time data transmission ...or network lines;

Taskett discloses a commercial transactions system using prepaid cards wherein users dial access telephone numbers to reach a service provider network or host system which comprises an account database and an audio database containing audio indicia or sound bites (Col 2, lines 26-32). Once access is established, audio prompts or messages may be played back to the user to authenticate the user's prepaid account, authorize transactions, and/or provide additional communications (Col 2, line

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57 – Col 3, line 8). Those communications may even include voices recorded by recognized celebrities (Col 5, lines 30-45).

Taskett does not specifically disclose that such audio prompts and messages would include advertisements. However he teaches that audio communications may be provided to (1) facilitate the use of the system and (2) enhance the experience of the system's users, i.e. by giving them audio prompts matching information pre-printed on their prepaid cards, making the service more attractive to users. It would have been obvious to one ordinarily skilled in the art at the time the invention was made to further apply these teachings and provide a system wherein audio messages would prompt users to try out further services or purchase additional products from sponsoring vendors. This would have been motivated by the wish to enhance the system's usefulness to the users while increasing the revenue potential for the system's operators and participating vendors. Such a system would meet the next several limitations cited in claim 3:

means for storing a group of announcements or instructions including advertisement;
means to play audible/text/graphic product information ...to be completed;
means for receiving at least one signal ...or data terminal;
means for receiving at least one signal ... or data terminal;

The remainder of the limitations cited in claim 3 are covered and met by references disclosed in *Taylor*, *Stimson*, and *Taskett*, as previously discussed:

means for verifying the validity of the user's account ...as an alternative option;
means to ensure there is no conflict between an user account with another users' account;
means for determining if there is a predetermined amount ...transaction will be executed;
means for receiving and analyzing a payment code ... as an alternative option;
means to convert and stored the authorized amount ...in the user's account;
means for determining if there is sufficient funds ... the merchant for notice;
means for completing a payment transaction ...if there to is sufficient available funds;
means to decrypt and verifying a payment code ... as their payment option;
means for transferring activation and security information ... pre-paid card account;
means for activating the particular pre-paid card ... and security information;
means for receiving access information ... using the access information;
means for setting a time sequence ...user accounts respectively;
means for disconnecting the telephone call ...because of wrong inputs;
means for establishing a payment transaction ...using the telephone/Internet network;
means for transferring the active authorization ... as reference before termination;
means to transfer the stored monetary ...as a payment transaction;
means to generate and encrypt payment codes ...in the payment network;
means for the host computer to identify ...and alert appropriate authorities;
means for preventing unauthorized access to the host computer;
means for new services to be created and changed on-line by the operator;
means for a real-time resource consumption indicator ... for products and services provided;
means for the host computer server to serve a plurality of users simultaneously;
and means to access gateway to the internet ... in the form of a world wide web interface.

As per claim 4:

The *Taylor* and *Stimson* references cited for rejection of claim 1 cover most of the limitations of claim 4, as cited below:

4. A computerized system or program of claim 2 ...comprising:

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*a backup computer for ... within the accounts when required;
a host computer ...the particular pre-paid card;
a host computer ... its account's stored amount;
a transaction/call processor ... and terminating call/access;
and a transaction/call ... communication at the end.*

Taylor and Stimson do not specifically disclose the use of a backup computer for the host computer. However the use of such a device is a well-known and established feature in the art and would have been an inherent component of a system charged with storing and safekeeping financial transactions such as those contemplated in a prepaid card payment system.

Taylor and Stimson don't specifically call out the Internet as a network medium for the operation of their systems. However they both teach that transactions conducted within their systems may be effected via data terminals and/or telephones connected to central processing hosts. Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made to adapt such a system to the Internet, because this global network would provide the best, most advantageous medium for the use of such a payment system.

As per claim 5:

Taylor, Stimson, and Taskett all disclose embodiments of their systems comprising telephone networks used in the input of the prepaid cards' data and controller systems that will receive, authenticate, process the transactions transmitted, and archive the resulting records. As such, these prior art all meet the limitations of claim 5:

5. An interactive voice response system and transaction processor system of claim 1 ... voice/text prompts or reject/end by disconnection.

As per claim 6:

See above rejection of claim 3, in reference to audio messaging capabilities:

6. The interactive voice response system of claim 1, further comprising means for connecting the user to the advertiser's call centre in response to a voice prompt input when an advertisement or announcement is played during processing information.

As per claims 7-8:

None of the references cited above specifically discloses the capability for a user to change passwords related to his/her prepaid account. However it is well known in the art that passwords need to be changed on a regular basis, to minimize the risks of exposure and compromise. Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made to ensure that such capability would be built into any system used for facilitating electronic transactions over a public network, to maximize the security and integrity of the system. Such a system would meet the limitations of claims 7 and 8, namely:

7. The interactive voice response system and transaction processor system of claim 1, further comprising means for allowing the user to select or change said password identification code and means for confirming that said password identification code is not the same as other user identification codes.

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8. The interactive voice response system and transaction processor system of claim 1, further comprising means for allowing the user to select or change said password identification code and means for confirming that a new password identification code is not the same as other password identification codes.

As per claims 9 - 10:

Taylor, Stimson, and Taskett all disclose embodiments of their systems alternatively comprising telephone or display terminals systems used in the input of the prepaid cards' data and service provider controller systems that will receive, authenticate, process the transactions transmitted, provide appropriate feedback to buyers and sellers, and archive the resulting records. As such, these prior art all meet the limitations of claims 9-10:

9. An interactive voice response system according to claim 1, wherein said means for providing voice prompts includes a voice processing system that generates voice messages and processes user input.

10. An interactive transaction processor system according to claim 1, wherein said means for providing text or graphic prompts includes a data processing system that generates text messages and processes user input.

As per claims 11-12:

All three inventions cited in the above references comprise systems that allow users to connect to remote service providers via the use of telephones or data terminals, input appropriate authentication data, select the services or products desired, enter specific transactions, and have the systems authorize, process, confirm, and store the results of said transactions. Therefore it would have been obvious to one ordinarily skilled in the art at the time the invention was made to have set up a system with capabilities as cited in claims 11 and 12, namely comprising

11. An interactive voice response system and transaction processor system according to claim 1, wherein said means for allowing the user to select any of one or more said available transaction options includes a voice/text processing system that generates voice/text messages and processes user input from a telephone/computer terminal's keyboard for user input.

12. The interactive transaction processor of claim 1, further comprising means for connecting the user to the advertiser's homepage in response to a prompt input when an advertisement or announcement is played during processing information.

Such systems would have been motivated by the need to allow users access to a range of services and products for ultimate purchase, said services and products being announced orally to users dialing in via telephones, or displayed for viewing to those who connect via display terminals and in response to selected advertisements from the system's sponsors.

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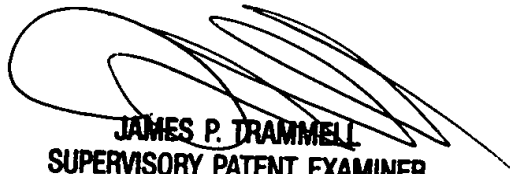
Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to David Q Le whose telephone number is 703-305-4567. The examiner can normally be reached on 8:30am-5: 30pm Mo-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on 703-305-9768. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-7687 for regular communications and 703-305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

DQL
September 19, 2002


JAMES P. TRAMMELL
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